



# **Water Marketing in Utah**

**Western State Engineers Workshop**

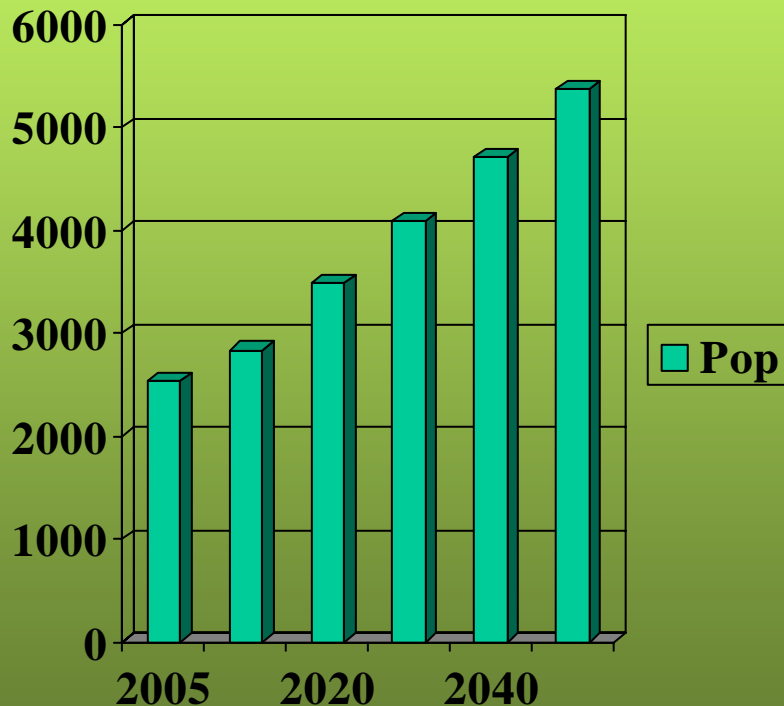
**June 12, 2008**

# Utah Water Right Fast Facts

- **ALL diversion and use permitted**
- **Changes in diversion/use permitted**
- **Rights maintained by ongoing use**
- **Forfeiture is a Judicial action**



# Population Growth & Water



- **Current Population**  
**2.5 Million**
- **Estimated Population**  
**2020, 3.5 Million**  
**2050, 5.4 Million**
- **Estimated Water Conversion**  
**2020 – 125,000 AF**  
**2050 – 324,000 AF**

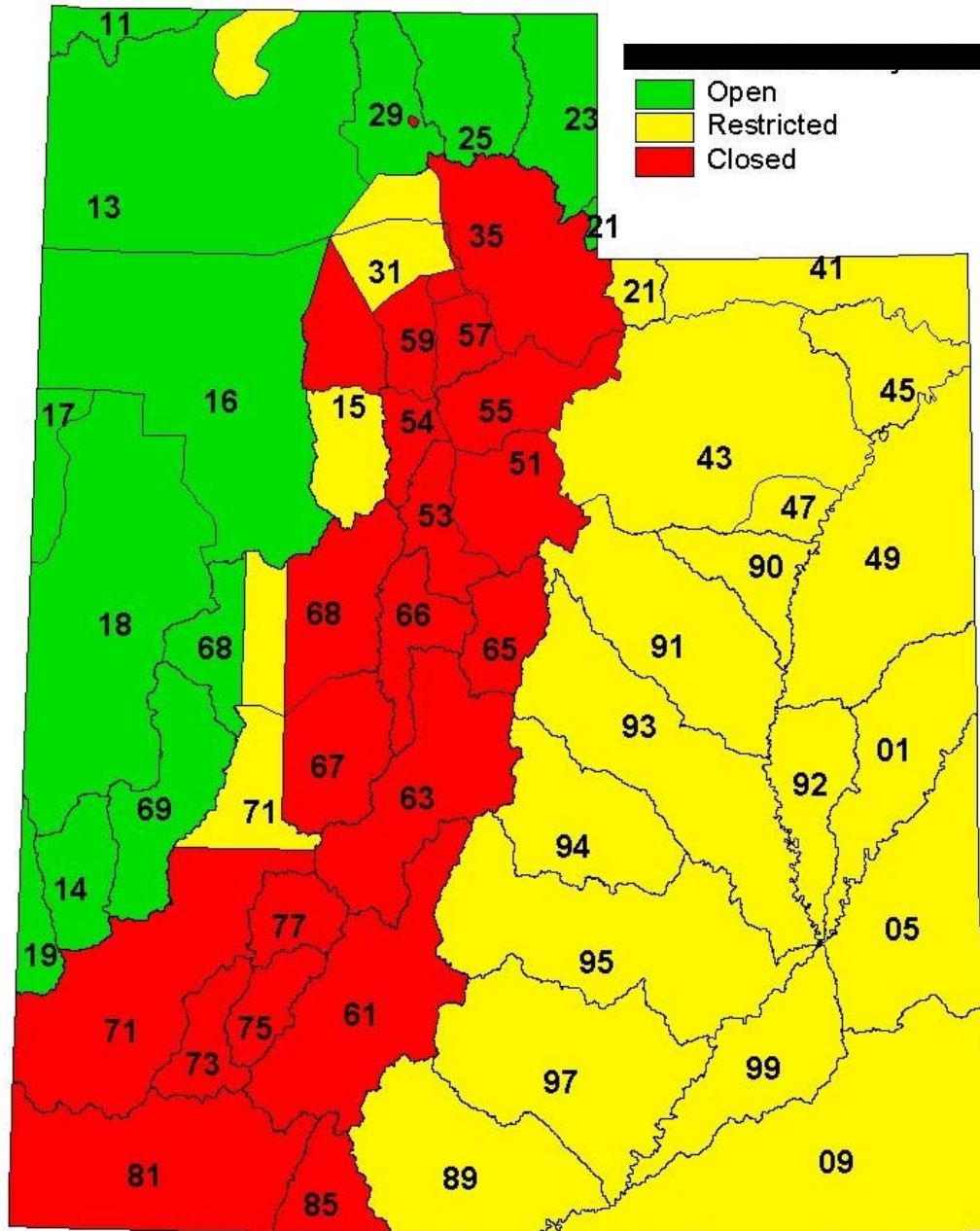
# Population Projections

- **Largest Growth**

**Box Elder, Cache, Davis,  
Iron, Morgan, Salt Lake,  
Summit, Tooele, Utah,  
Wasatch, Washington &  
Weber**

- **Fastest Growing - %  
Washington, Morgan &  
Summit**





# State Engineer's Water Appropriation Policy



## **73-1-1. Waters declared property of public.**

**All waters in this state, whether above or under the ground are hereby declared to be the property of the public, subject to all existing rights to the use thereof.**



**“The state regulates the use of water as trustee for the **benefit of the people**. Public ownership is founded on the principle that water, a scarce and essential resource in this area of the country, is indispensable to the welfare of all the people; and the state must therefore assume the responsibility of allocating the use of water **for the benefit and welfare of all the people of the state as a whole.**”**

**J. J. P. N. Co. v. State 655 P.2d 1133 (Utah 1982)**

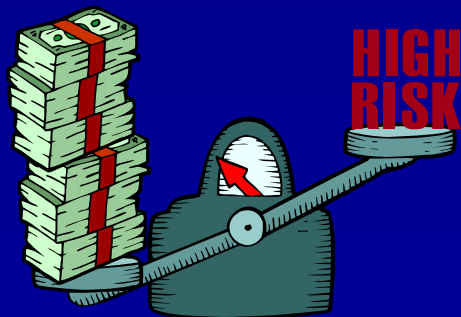
**73-3-8: It shall be the duty of the state engineer to approve an application if: (a) there is unappropriated water in the proposed source;**

**.... and (e) the application was filed in good faith and not for purposes of speculation or monopoly.**



# What is the standard or criteria to determine speculation?

**Speculation – An investment involving risk with hope of large profit. To buy or sell in expectation of profiting from market fluctuations.**



# Conversion of Ag Land to Residential

- ✓ Want the water transferred
- ✓ Market system
- ✓ Communities have a role



# The Future of Water Marketing

- Population will double by 2050
- Conversion of Irrigation Water to M&I  
324,000 Acre-Feet
- Water Brokers enabling transfers
- Conservation reducing requirement





# Water Market Stabilization

- **Open, accessible records**
- **Published decision criteria**
- **Timely, consistent actions**
- **Development Ordinances**



# Water Market Challenges

- **Water Right Ownership**
  - Recorded in County (no notice to water rights)
  - Silent appurtenance to land
  - Water right notices missing target
  - Water segregation outside system / fraud
- **Individuals lack WR sophistication**
- **Money pressure**
- **Incomplete WR Records**



# Change Concepts

- Unappropriated water in Hereafter source
- Limit proposal or compensate for impairment
- Diversion/Depletion equivalence
- Give up one to get one



**“Water is the brush that has shaped the unique and varied landscape of Utah and influenced the settlement and lifestyle of the people who have inhabited its boundaries”**

**And Water Is The Resource  
That Will Shape Our Future!**

**Thank You  
QUESTIONS?**

